

for a while without great losses of coin to the bank, and averaged 1,250,000 roubles per month up to January i, 1863. A run then began for the redemption of the paper, which resulted in a net loss of coin during January of 2,287,000 roubles; February, 4,921,000 roubles; March, 7,723,000 roubles; April, 10,213,000 roubles; May, 10,367,000 roubles ; June, 2,233,000 roubles ; and in July, 6,751,000 roubles. Various devices were tried to stop the drain, but they were unsuccessful and coin redemption was suspended by a ukase of November 19, 1863. Exchange on Paris, which had risen on October 29th to 396 francs, within four francs of par, fell gradually to 350 francs, about which point it fluctuated for some time. The net result of the effort to restore specie payments was a reduction of the outstanding paper to 634,773,929 roubles on November 30, 1863, and a useless expense to the Treasury of nearly 100,000,000 roubles (\$75,-000,000).

The bank was entrusted in 1862 with the mission of buying lands for the peasants and was aided by the deposit of the Treasury funds free of interest. These funds were partly employed in commercial discounts, which were so freely granted that the legitimate necessities of commerce were much exceeded and a mass of doubtful paper was left in the hands of the bank in the crisis of 1873. The expansion of credits, however, was chiefly confined to St. Petersburg and Moscow, and the provinces suffered the usual evils of a country endowed with a single great bank,—the lack of capital, of currency, and of facilities for credit. The excess of capital at the centres caused reckless speculation and blind investments in foreign securities, while the excessive issues of paper money gradually found an outlet only after the emancipation of the serfs created a greater demand for currency for wages. One of the difficulties of the situation was the constantly recurring deficit in the public finances,, which called for new issues of paper money to fill the void. This difficulty was overcome for a moment in 1870, when the deficit declined to 1,205,116 roubles, and during the next five years, which showed a considerable surplus. The